

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 674 – HB 617

March 24, 2013

SUMMARY OF ORIGINAL BILL: Reduces the maximum amount of products containing ephedrine or pseudoephedrine base a person may buy in a 30-day period from nine grams to five grams. Reduces, from nine grams to five grams, the amount of an immediate methamphetamine precursor a person has to possess with the intent to manufacture methamphetamine to commit promoting the manufacture of methamphetamine, a Class D felony.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$1,729,200/Incarceration*

SUMMARY OF AMENDMENT (004242): Deletes all language after the enacting clause. Rewrites Tenn. Code Ann. § 39-17-431(c) and (d) relative to the sale of ephedrine or pseudoephedrine base, or their salts, isomers, or salts of isomers by pharmacies and the purchase of such by individuals, a Class A misdemeanor.

Requires pharmacies to ask individuals purchasing over-the-counter products containing pseudoephedrine or ephedrine for valid photo identification at the point of sale. The identification shall be either issued by Tennessee, issued by another state or the federal government, or a passport if the individual is a foreign national who is in the United States legally.

If a person presents a valid photo identification issued by the state of Tennessee, then the pharmacy may sell and the person may purchase any product containing ephedrine or pseudoephedrine base, or their salts, isomers, or salts of isomers, but not in an amount of more than:

- 7.2 grams in any thirty-day period; or
- 64.8 grams in any one-year period.

The limits in subsection (c) do not apply to products containing ephedrine or pseudoephedrine base, or their salts, isomers, or salts of isomers that are dispensed or purchased pursuant to a valid prescription issued by a healthcare practitioner licensed under title 63.

Requires any mail-order sale or purchase of a product containing ephedrine or pseudoephedrine base, or their salts, isomers or salts of isomers shall comply with Tenn. Code Ann. § 39-17-431(c). Creates an exception for wholesale drug distributors, manufacturers of drug products, or

an agent of either if such person was making a delivery to a pharmacy or pharmacist or to a person who has been issued a valid prescription for the substance being delivered.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- It is assumed that the misdemeanor offenses created by this bill will not have a significant impact on local courts or local jails.
- The bill does not add any drugs to those already monitored by NPLEx; it merely changes the amounts that can be dispensed and purchased. It is assumed that the bill would not have a significant impact on the Tennessee Bureau of Investigation.
- The Board of Pharmacy will ensure that pharmacies and pharmacists are adhering to the changes in the proposed legislation. Any costs incurred due to necessary regulatory changes will not be significant and can be accommodated within the existing resources of the Board.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board of Pharmacy had closing balances of \$553,901 in FY10-11, \$88,209 in FY11-12, and a closing reserve balance of \$929,407 on June 30, 2012.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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